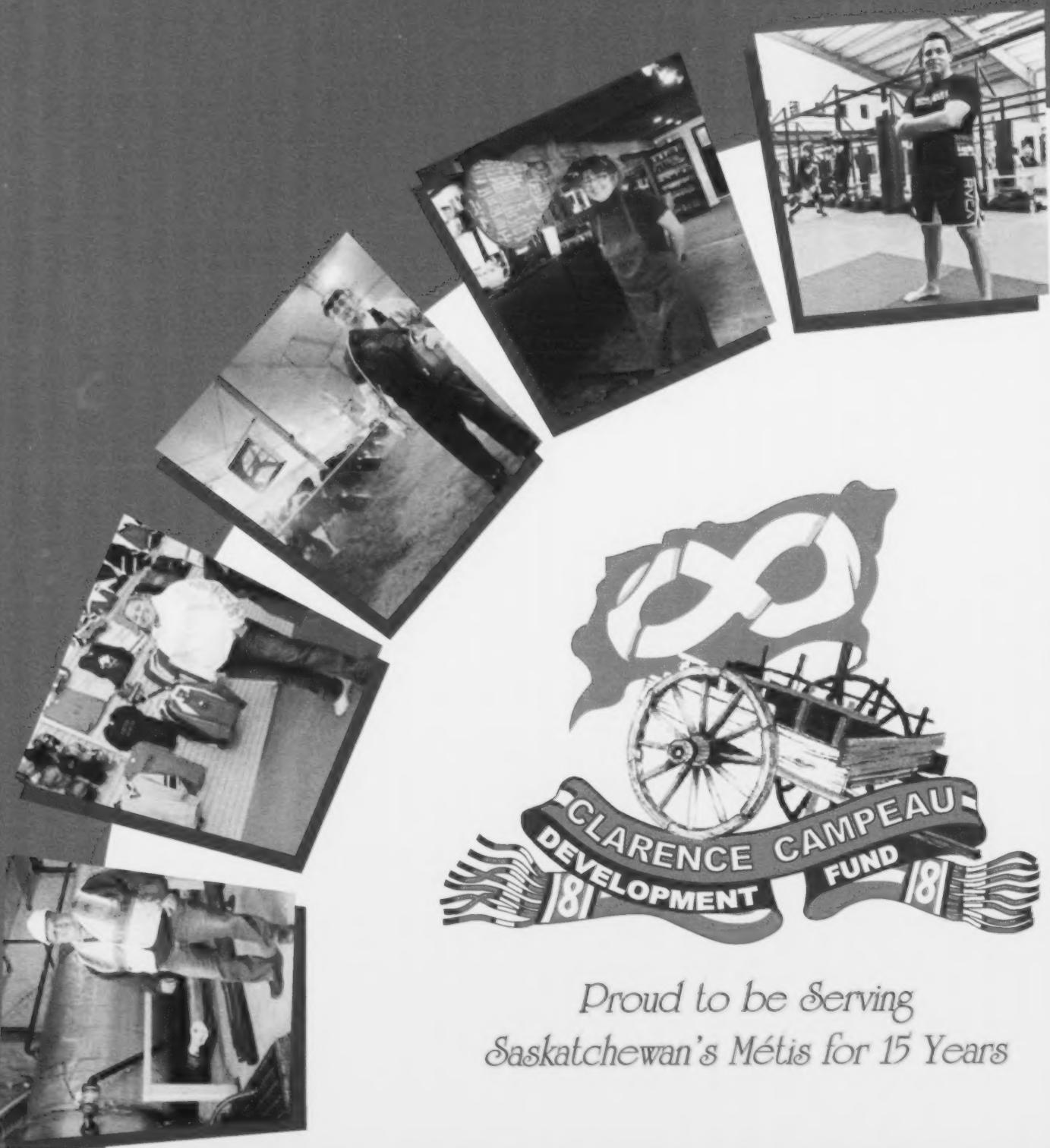


# 2012 ANNUAL REPORT



*Proud to be Serving  
Saskatchewan's Métis for 15 Years*



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## Vice Chairman's Message

The Clarence Campeau Development Fund continues to deliver sound support for Métis business in Saskatchewan by providing the necessary seed capital required to leverage private funding for business development. Métis communities and entrepreneurs continue to benefit from the programs provided by CCDF which leads to jobs and wealth for Métis people and supports the economic growth in our province.

CCDF does much more than provide financial assistance to Métis businesses. The Fund is the catalyst that drives business development for our private entrepreneurs and our community owned businesses. The Fund provides loans, various forms of equity and community grants all of which are the seed capital necessary to leverage conventional financing. The Fund also provides guidance and advisory services, business research and development assistance, business planning and aftercare and a vast array of programs and services to ensure success for our Métis businesses. For the past three years CCDF has been the home of the Métis Economic Development Sector which links industry, business and government to our Métis development corporations, communities and private businesses across the province. The Sector undertakes informational workshops throughout the province and also is responsible for the Métis Business Directory. The Sector was the driving force in the development of the Women's Equity Program and the Youth Equity Program established during the year.

The Fund continues to maintain strong relationships with both the provincial and federal government as well as the Métis Nation - Saskatchewan. Without the exceptional support we have received from all levels of government we would be unable to deliver the outstanding results contained in this report.



*Rick Watson  
Vice Chairman*

We continue to work closely with private business, community leaders, financial institutions, developmental lenders and other stakeholders. The support we have received is very much appreciated and we will continue to build strong relationships to move our mandate forward.

On behalf of the CCDF Board of Directors I want to thank the province, the federal government and all our stakeholders and friends who we rely on so strongly.

I also want to acknowledge the management and staff at CCDF for the outstanding job they do for Métis people in our province. Without their hard work and dedication none of this would be possible.

# Chief Executive Officer's Message

The Clarence Camr -au Development Fund (CCDF) celebrated its 15th anniversary in 2012. During this short time the Fund has experienced unprecedented growth and now boasts an equity base of \$20,000,000 and over \$12,000,000 in contribution receivables.

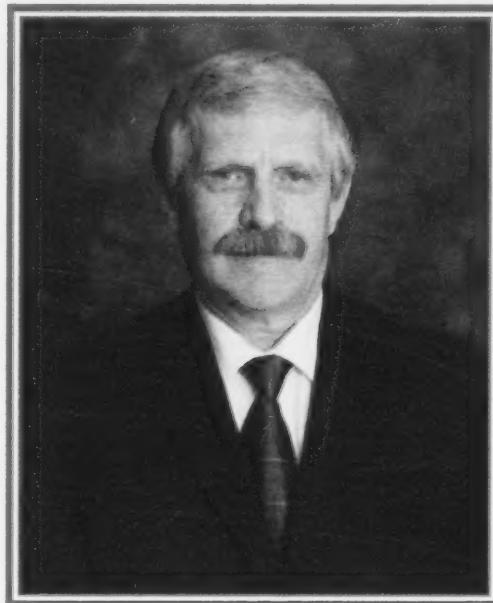
In 2012 the Fund experienced another record year in the volume of contributions approved. The Fund, through its offices in Saskatoon and Regina approved 43 business proposals under its traditional programing in the amount of \$3,320,994. The Fund also approved business plan and aftercare assistance to 42 businesses for \$95,999. This funding helped create 119 jobs and leverage conventional financing of \$5,176,075.

In addition the Métis Energy and Resource Program, funded in partnership with the federal government approved support to 4 Métis business proposals for \$2,161,275. An independent review of the program was undertaken and a proposal for additional federal funding was prepared late in the year. The results of the socio-economic benefits of the program proved to be exceptional and we hope for a positive response.

CCDF continues to receive a share of provincial gaming revenue to support its operations. The ongoing support and commitment by the province for Métis business development has allowed the Fund to become the major engine in driving economic development for Métis people in the Province of Saskatchewan.

CCDF facilitated 12 informational workshops across the province in 2012. The Fund continues to emphasize direct community involvement building strong relationships with stakeholders. This personal relationship building is credited for much of the success we have experienced over the years.

Once again I want to acknowledge the ongoing support of the province and specifically their representatives on our board. I would also like to thank the federal government for their involvement and look forward to their continued support as we build programing responsive to the needs of our Métis people. Also a special thanks to President Robert Doucette and the Provincial Metis Council of the Metis Nation - Saskatchewan who continue to support the efforts of CCDF. I also want to thank the Board of Directors who give us such sound direction and to our dedicated and loyal staff that continue to have the passion to get the job done every single day.



*Roland Duplessis  
Chief Executive Officer*

# The Fund

The Clarence Campeau Development Fund (CCDF) was established by The Métis Society of Saskatchewan Inc. subject to an agreement with the Government of Saskatchewan dated June 11, 1997. In September of 2001, an amendment to the Gaming Act recognized CCDF in legislation and a new agreement between the province and the Métis Nation-Saskatchewan Secretariat Inc. was executed in December 2002.

The purpose of the CCDF is to provide financial assistance where currently there is a void for Métis clients. The CCDF is not designed to replace or be in competition with, but to augment and complement, existing government programs, agencies and other financial institutions. All applicants are to explore other sources of funding (e.g. banks, credit unions, SaskMétis Economic Development Corporation, Community Futures, Aboriginal Business Canada, and the Northern Development Fund). The CCDF will not fund cultural activities, social programs, operations of political bodies, or non-economic related development projects.

The objective of the Fund is to stimulate economic development activities of Métis people and communities by providing equity for Métis businesses, support to community economic development initiatives, and assistance for the development of the management skills of new and existing Métis business owners and entrepreneurs. The Fund derives its revenue subject to the agreement with the Government of Saskatchewan.

## Mission Statement

The mission of the CCDF is to improve the economic circumstances of Saskatchewan Métis by providing funding for community development initiatives, development of management skills and assistance to new and existing Métis businesses.

## Goals and Objectives

**The goals of the CCDF are as follows:**

- To ensure that Métis entrepreneurs acquire the management, administrative and marketing skills necessary for business success;
- To increase employment opportunities for Métis persons;
- To improve incomes for Métis persons.

## Business Plan Assistance Program

This program is intended to provide support to entrepreneurs with a business concept which has been identified as an excellent opportunity through an initial screening by the Fund, but which requires a professional business plan in order to attract financing.

This program will allow entrepreneurs to engage the services of a professional consultant in order to undertake the quality of research and planning necessary to develop a business plan and attract financing.

### **Guidelines:**

- The applicant will provide CCDF with an application for initial screening by the fund;
- The applicant must provide the name and qualifications of the consultant, the terms of reference and a quote of the costs agreed upon;
- CCDF can consider funding up to 75% of the costs to a maximum of \$10,000;
- This funding will not be repayable.

## Loan/Equity Contribution Program

This program is to assist Métis entrepreneurs by providing capital through interest free loans or equity that will enhance the applicant's ability to leverage financing from other institutions and agencies.

CCDF can provide financial assistance of up to the lesser of \$200,000 per project or 35% of the value of the fixed assets identified in the program costs.

### **Purpose:**

- The purchase or start-up of a new business
- The purchase of an existing business
- Business expansion or renovation

### **Method of Investment:**

Re-payable contributions for a term not to exceed seven years

Equity instruments as follows to be held for a maximum period of ten years:

- Common shares;
- Preferred shares;
- Convertible preferred shares; or
- Convertible debentures for a maximum period of ten years.

### **Guidelines:**

- Businesses funded under this program must be for-profit and demonstrate viability through a sound business plan;
- Applicants must contribute a minimum of 5% equity to the project. Projects deemed by the Fund to be higher risk will require larger equity contributions;
- Equity may be in the form of cash, machinery, equipment, real estate or other unencumbered fixed assets. Assets must be valued at fair market value by an independent appraiser.



## Métis Women's Equity Program

This program is to assist Saskatchewan Métis Women who wish to become entrepreneurs overcome barriers and enhance their ability to leverage financing and support services from financial institutions and business support agencies.

Under this program CCDF can provide equity assistance of up to 65% of project costs to a maximum of \$10,000 Total project costs cannot exceed \$ 25,000 (excluding working capital).

### Purpose:

- To purchase an existing business
- To start a new business
- To expand or renovate an existing business

### Method of Investment:

- Maximum \$10,000
- Repayable contribution for a term not to exceed five years
- The contribution will be interest free
- Security will consist of a promissory note

### Repayment:

After 24 months of satisfactory repayment of principal, the client will have the option to repay 75% of the remaining contribution with 25% being forgiven

### Guidelines:

- Businesses funded under this program must be for-profit and demonstrated viability through a sound business plan;
- Applicants must contribute a minimum of 5% equity to the project
- No administrative fees
- The business must be 100% owned by a Saskatchewan Métis Woman

## Métis Youth Equity Program

This program is to assist Saskatchewan Métis ages 18 to 35 with the desire to become entrepreneurs, overcome barriers and enhance their ability to leverage financing and support services from other financial institutions and agencies.

Under this program CCDF can provide equity assistance of up to 65% of project costs to a maximum of \$10,000 Total project costs cannot exceed \$ 25,000 (excluding working capital).

### Purpose:

- To purchase an existing business
- To start a new business
- To expand or renovate an existing business

### Method of Investment:

- Maximum \$10,000
- Repayable contribution for a term not to exceed five years
- The contribution will be interest free
- Security will consist of a promissory note

### Repayment:

After 24 months of satisfactory repayment of principal, the client will have the option to repay 75% of the remaining contribution with 25% being forgiven

### Guidelines:

- Businesses funded under this program must be for-profit and demonstrated viability through a sound business plan;
- Applicants must contribute a minimum of 5% equity to the project
- No administration fee;
- The business must be 100% owned by a Saskatchewan Métis Youth



## **Large Scale or Joint Venture Projects Program**

Funding is available under this program for up to the lesser of \$1,000,000 or 50% of the total project costs. Minimum funding under this program will be \$201,000. Projects funded under this program must be for-profit and commercially viable with total project costs in excess of \$ 500,000. Priority will be given to, but not restricted to higher end, value added projects.

**Financial assistance will be in the form of:**

- Common shares;
- Preferred shares;
- Convertible preferred shares;
- Convertible debentures;
- Mortgages and other forms of debt;
- Units in a limited partnership or joint venture for a period set out in the partnership agreement or joint venture agreement

## **Community Business Development Program**

This program is intended to assist Métis community owned business development associations and corporations leverage capital to develop businesses that will result in the creation of wealth and jobs for Métis.

Under this program, CCDF can provide a one-time, non-repayable contribution up to the lesser of \$100,000 or 35% of the value of fixed assets as identified in the program costs. Should the business be sold or disposed of within 3 years of receiving a non-repayable contribution it will become repayable immediately.

In addition, CCDF can contribute up to the lesser of \$200,000 or 35% of the value of the fixed assets as a repayable contribution, preferred shares, convertible preferred shares or convertible debentures.

Repayable contributions will be for a term not to exceed seven years while equity instruments will not exceed ten years.

Note: Total funding from CCDF under this program will not exceed 50% of the value of the fixed assets.

**Purpose:**

- To start a new business
- To purchase an existing business
- To renovate or expand an existing business

**Guidelines:**

- Businesses funded under this program must be for-profit and demonstrate viability through a sound business plan;
- The community will be expected to demonstrate its commitment through an injection of reasonable equity.



# **Development of Management and Marketing Skills Program**

This program supports training for new and existing Métis entrepreneurs to develop their management and marketing skills.

## **Guidelines:**

- Applicants must provide an application that includes the purpose of the course as well as a course outline and a detailed budget;
- Applicants must demonstrate that they have approached other Métis educational funding agencies prior to applying to CCDF. CCDF does not intend to duplicate the services of other Métis Nation-Saskatchewan agencies or affiliates;
- Training must be through credible organizations that undertake to provide appropriate training;
- The training must be specific to business management and not technical training unrelated to the development of management and marketing skills;
- The maximum available under this program is 75% of the approved costs to a maximum of \$10,000 over the life of the contribution;
- CCDF funds only direct course costs such as tuition, workshop fees, and books. Living costs are not included;
- This funding is only for short courses (degree and post-graduate studies are excluded).

CCDF can support the development of business related courses through Métis training institutions. In this case the institution must provide accurate budgets, complete details on the training including a course outline, a list of the individuals (full and part-time) enrolling in the program and other information which may be required to evaluate the success of the training upon completion.



## Support for Aftercare Program

This program is intended to provide professional support to new businesses in order to help improve the opportunity for success.

### Guidelines:

- Funding under this program is intended to allow the business to engage the services of a professional consultant to examine the operations of the business in order to identify areas that may require special attention;
- The applicant must provide the name and qualifications of the consultant, a terms of reference and a quote of the costs agreed upon;
- CCDF can consider funding of up to 100% of the cost, to a maximum of \$10,000 over the life of the contribution;
- Funding under this program is non-repayable;
- Funding is not intended for the development of interim or annual financial statements.

## General Guidelines for All Projects

### Projects which are not eligible:

- Refinancing (some exceptions apply);
- Payment of dividends;
- Cultural activities;
- Social programs;
- Political bodies for political process;
- Residential real estate;
- Basic farming and ranching;
- Commercial real estate for the sole purpose of lease or rent to others.  
The applicants' business must occupy the majority of space and be commercially viable exclusive of the rental/lease income to receive support from CCDF (some exceptions may apply).

All applicants will be required to enter into a contractual agreement with CCDF.



# **Métis Energy and Resource Program - MERP**

The mission of the MERP is to improve the economic circumstances of Saskatchewan Métis by providing funding for community development initiatives, development of management skills, and assistance to new and existing Métis business.

## **Goals & Objectives**

The goals are as follows:

- To ensure that Métis entrepreneurs acquire the management, administrative, and marketing skills necessary for business success;
- To increase employment opportunities for Métis persons;
- To improve incomes for Métis persons.

## **Program Mandate**

The program mandate of MERP is to encourage Métis economic participation and ownership in industries that support major resource and energy developments in Saskatchewan. Under the Métis Resource and Energy programs, MERP will provide equity and debt financing to allow Métis entrepreneurs and communities to participate through ownership or investment in viable businesses. Funding will be directed to medium and large scale service businesses and the programs will complement the existing programs and services offered by CCDF. The energy and resource sectors will include, but not be limited to mining, energy, oil and gas, alternative energy and forestry. MERP will also consider all major projects that demonstrate viability.

## **Funding Criteria**

To be eligible for support, an applicant must be a Saskatchewan resident of Métis ancestry living in Saskatchewan or a Saskatchewan corporation, partnership, association or other legal entity that is operating in the province of Saskatchewan. Partnerships and joint venture with non-Métis partners are eligible for funding provided the Métis partner holds a reasonable ownership position and meets the other program requirements. Evidence of Métis ancestry will include self-identification on the application form and any other available documentation. As evidence of residency, applicants will be required to provide a copy of a current Saskatchewan health card, and a Saskatchewan driver's license. Métis organizations and communities are eligible to apply for support. Evidence of legal entity status, such as a corporation's Articles of Incorporation, must be provided as part of the application process.

## **Métis Energy and Resource Program - MERP**

### **Equity Contribution Program**

This program is intended to help increase the involvement of Métis entrepreneurs in the Energy and Resource sectors. Under this program CCDF can provide a repayable contribution of up to the lesser of \$500,000 or 50% of the value of the fixed assets plus 35% of working capital and inventory costs identified in the program. Minimum funding under this program will be \$250,000. Maximum funding under this project will be \$1,000,000. Projects funded must be for-profit and commercially viable. Priority will be given to, but not restricted to, projects that demonstrate a high degree of job creation. Financial assistance will be in the form of common shares, preferred shares, mortgages or other forms of debt. Applicants must provide a minimum of 5% cash equity to the project. Potential projects under this program may include the purchase of an existing business, establishment of a new business, or business expansion or renovation that will result in increased capacity and revenue. The Métis Energy and Resource Program are no longer restricted to energy and resource sector specific projects. The MERP is now able to consider all major projects, (projects over \$500,000), that show viability and feasibility, and are supported by a professionally prepared business plan.

### **Community Infrastructure Development Program**

The purpose of the program is to provide leadership, mentoring, guidance; advice and funding required to establish two successful community-owned businesses in strategic areas of the province. Funding will be provided in two components: a non-repayable contribution of up to \$200,000 and a repayable contribution of up to \$800,000. The non-repayable contribution will be made available to cover development costs which may include the cost of business plans, market studies, feasibility analysis, legal fees, accounting fees, aftercare and other professional fees, advances for utility, rental costs and costs associated with hiring and training personnel. This component also includes funding of \$100,000 to pay the first year wages and expenses of a mentor/manager for the new business. Financial assistance under the repayable contribution will be in the form of common shares, preferred shares, or units in a Limited Partnership or Joint Venture. Contributions are available for up to the lesser of \$800,000 or 50% of the project costs including inventory and working capital. Minimum funding under this plan will be \$ 201,000. CCDF will identify two communities, regions and/or locals to participate under as a partner community in the business. For projects funded under this program, CCDF can be the majority owner in the start up and initial years for the business. The community partner will purchase and / or be gifted shares so that it has an initial ownership of no less than 20% of the business. The community will purchase the shares held by CCDF through the profits of the business and declaration of dividends. The end result is that the community will own 100% of the business and CCDF will be able to reinvest the funds in other projects. Potential projects under this program may include the purchase of an existing business or establishment of a new business. CCDF will consider energy and resource projects and all major projects under this program. Each application must be supported by a professional business plan and demonstrates the feasibility a viability of the project.

# Métis Economic Development Sector

## Background

In the spring of 2010, with the financial support of the federal and provincial governments as well as CCDF, a comprehensive study was undertaken and a strategic plan developed for the creation of the Métis Economic Development Sector (MEDS). The Métis Nation-Saskatchewan endorsed the establishment of the Sector under the management of the Clarence Campeau Development Fund (CCDF) and in July 2010, with the financial support of INAC and CCDF the Sector began operations.

## Vision

The Métis Economic Development Sector is the lead service provider in assisting Saskatchewan's Métis community members to achieve financial self-sufficiency. The Sector is the primary contact point for industry, government and Métis individuals seeking assistance in the development of economic opportunities.

## Mission

The Métis Economic Development Sector (MEDS) will play an instrumental role in Saskatchewan Métis business development by providing technical expertise in business and management strategies. The Sector will provide information and services that will help to create sustainable Métis-owned businesses throughout all regions of the province and across a wide variety of industries. The Sector will strive to increase the profitability of Saskatchewan Métis businesses to provide increases in wealth through job creation.

MEDS will follow a collaborative and cooperative approach in matching industry needs with Métis abilities and adequate sources of capital.

## Objectives

- Provide expert information on business development and management;
- Become the recognized leader in Métis economic development advice;
- Create an infrastructure for future business development;
- Develop Métis entrepreneurs with skills and experience in management;
- Develop opportunities into viable Métis-owned businesses;
- Assist business owners to maintain or expand their businesses;
- Ensure that Métis businesses are competitive contributors to local, provincial and global economies;
- Create a strong and dynamic Métis business community united across geographic regions and throughout industries;
- Provide communities with demand-driven skills development

## Accomplishments:

- Hosted 12 community workshops across Saskatchewan
- Working with communities to explore new & innovative business approaches to doing business
- Instrumental in the development with the Métis Women & Métis Youth Equity Programs
- Maintain responsibility for the Saskatchewan Métis Business Directory
- Linked Métis Businesses to industry procurement opportunities
- Established strong relationships with external partners & stakeholders

## Cumulative Funding Approval Report

YEAR	TYPE	NUMBER	AMOUNT	JOBS	LEVERAGED
1998-2002	C/D	72	\$ 1,898,092	25	\$ 3,096,710
2003-2007	C/D	11	\$ 830,690	40	\$ 1,293,555
2008	C/D	3	\$ 250,000	35	\$ 1,043,167
2009	C/D	5	\$ 636,000	22	\$ 290,800
2010	C/D	2	\$ 115,000	7	\$ 0
2011	C/D	3	\$ 217,933	10	\$ 218,670
2012	C/D	3	\$ 300,000	4	\$ 1,500,000
<b>Total C/D</b>		<b>99</b>	<b>\$ 4,247,715</b>	<b>143</b>	<b>\$ 7,442,902</b>
1998-2002	E	227	\$ 3,904,268	414	\$ 13,749,502
2003-2007	E	215	\$ 12,183,915	721	\$ 51,900,767
2008	E	52	\$ 3,591,869	201	\$ 10,065,788
2009	E	41	\$ 3,604,533	232	\$ 13,496,834
2010	E	27	\$ 1,063,603	65	\$ 2,095,822
2011	E	40	\$ 3,265,886	126	\$ 4,991,078
2012	E	43	\$ 3,320,994	115	\$ 5,176,075
<b>Total E</b>		<b>645</b>	<b>\$ 30,935,068</b>	<b>1874</b>	<b>\$ 101,475,866</b>
2003-2007	BP/AC	185	\$ 487,714		\$ 0
2008	BP/AC	87	\$ 475,982		\$ 0
2009	BP/AC	42	\$ 258,716	3	\$ 0
2010	BP/AC	43	\$ 111,788		\$ 0
2011	BP/AC	37	\$ 97,702		\$ 0
2012	BP/AC	42	\$ 95,999		\$ 0
<b>Total BP/AC</b>		<b>436</b>	<b>\$ 1,527,901</b>	<b>3</b>	<b>\$ 0</b>
2000-2007	MSD	13	\$ 133,340		\$ 251,128
2008	MSD	4	\$ 3,011		\$ 0
2009	MSD	7	\$ 9,687		\$ 0
2010	MSD	8	\$ 8,036		\$ 0
2011	MSD	4	\$ 1,744		\$ 0
2012	MSD	8	\$ 19,104		\$ 0
<b>Total MSD</b>		<b>44</b>	<b>\$ 174,922</b>		<b>\$ 251,128</b>
2004	Ec. Dev	1	\$ 150,000	3	\$ 75,000
<b>Total Other</b>		<b>1</b>	<b>\$ 150,000</b>	<b>3</b>	<b>\$ 75,000</b>
<b>Total</b>		<b>1225</b>	<b>\$ 37,035,607</b>	<b>2023</b>	<b>\$ 109,244,896</b>

C/D - Community Business Development Program

E - Loan Equity Contribution Program & Large Scale Joint Venture

MSD - Management and Marketing Skills Development Program

BP/AC - Business Plans & Aftercare Programs

Other - Economic Development Sector

\*Note that the reduced amount in BP/AC from 2008 to 2009 is a result of reporting changes from approvals to actuals, and reduced leverage amounts for 2010 to 2011 resulted from removing Owner's Investments.

## Métis Energy and Resource Program Cumulative Report

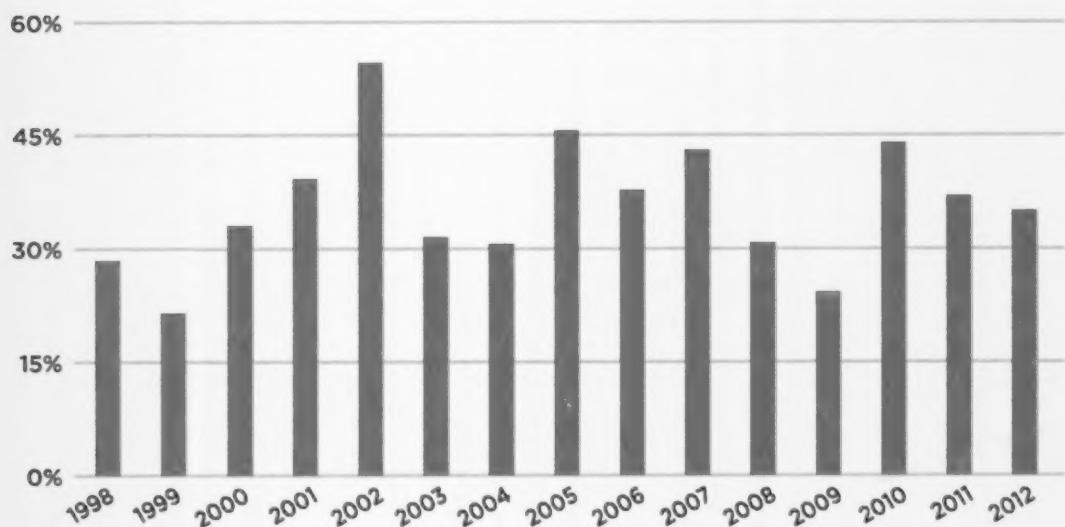
YEAR	TYPE	NUMBER	AMOUNT	JOBS	LEVERAGED
2011	E	2	\$ 1,700,000	28	\$ 819,290
2012	E	4	\$ 2,161,275	41	\$ 1,841,683
<b>Total E</b>		<b>6</b>	<b>\$ 3,861,275</b>	<b>69</b>	<b>\$ 2,660,973</b>
2011	BP	3	\$ 16,002		\$ 0
2012	BP	6	\$ 24,528		\$ 0
<b>Total BP</b>		<b>9</b>	<b>\$ 40,530</b>		<b>\$ 0</b>
<b>Total</b>		<b>15</b>	<b>\$ 3,901,805</b>	<b>69</b>	<b>\$ 2,660,973</b>

E - Loan Equity Contribution Program

BP - Business Plans

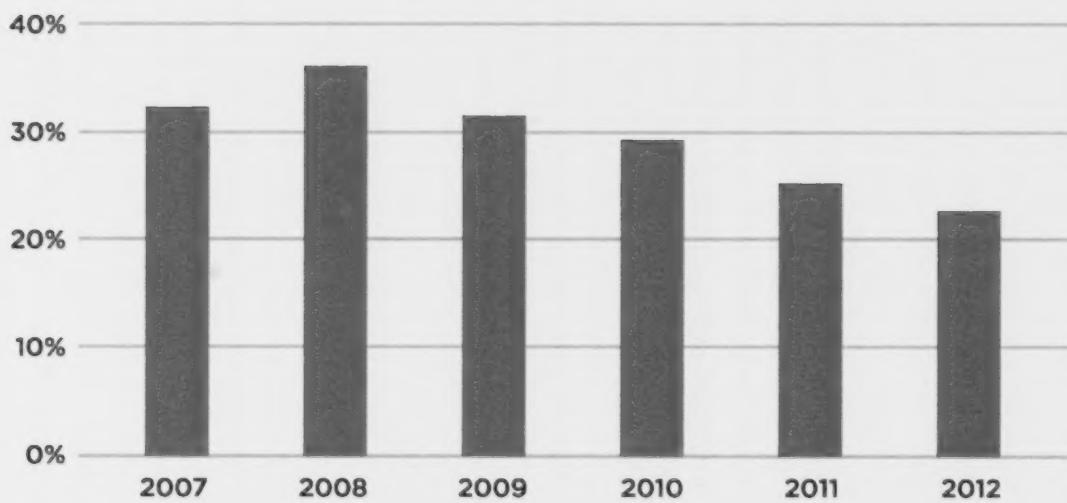
## Women Entrepreneurs - Funding Statistics

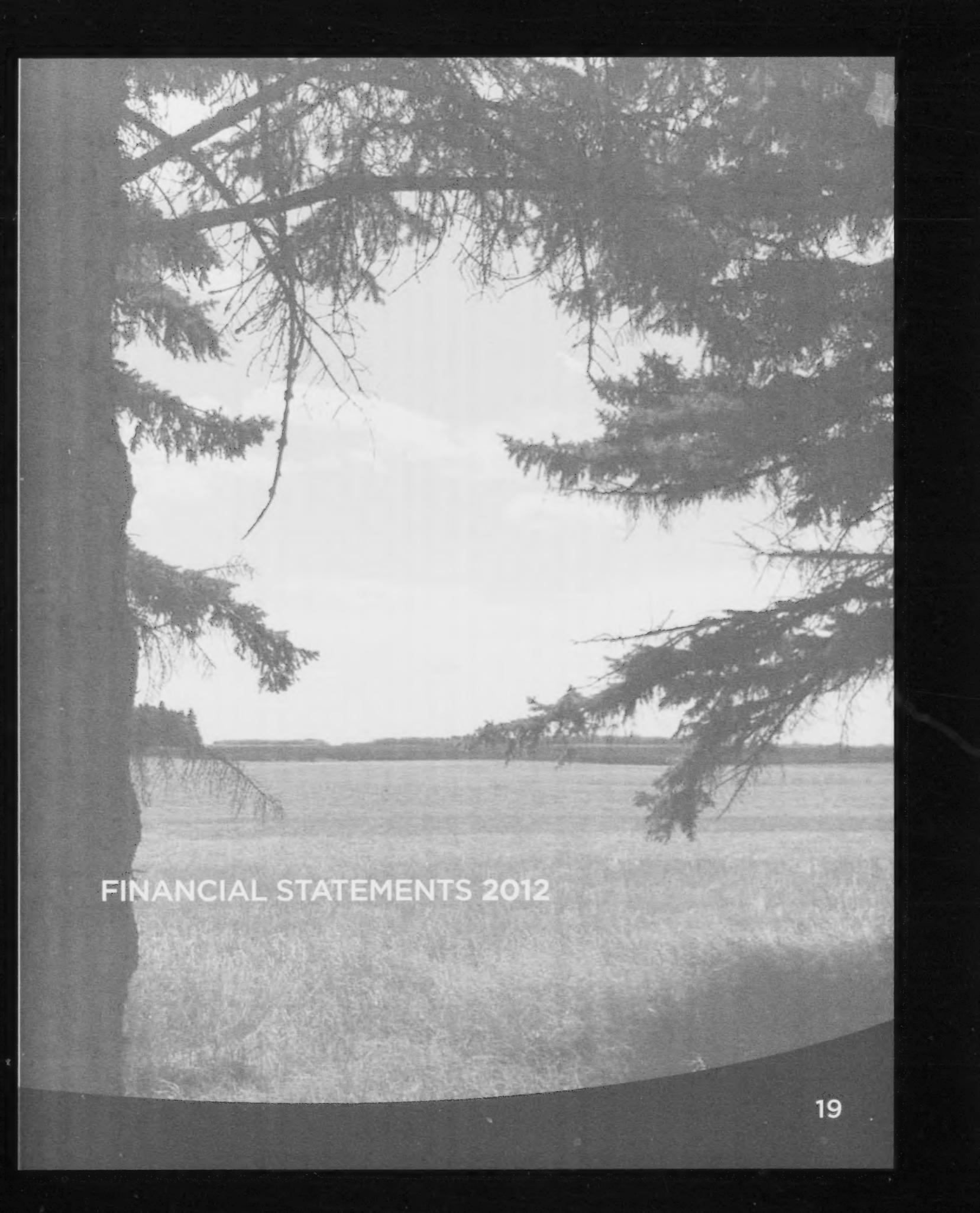
YEAR	NUMBER OF CONTRIBUTIONS	NUMBER OF CONTRIBUTIONS (TOTAL)	PERCENTAGE
1998	2	7	29%
1999	8	37	22%
2000	12	36	33%
2001	15	38	39%
2002	17	31	55%
2003	7	22	32%
2004	17	56	30%
2005	15	33	45%
2006	21	55	38%
2007	20	46	43%
2008	16	52	31%
2009	10	41	24%
2010	12	27	44%
2011	16	43	37%
2012	17	48	35%
Total	205	572	36%



## Youth Entrepreneurs (Under 35) - Funding Statistics

YEAR	NUMBER OF CONTRIBUTIONS	NUMBER OF CONTRIBUTIONS (TOTAL)	PERCENTAGE
2007	15	46	33%
2008	19	52	37%
2009	13	41	32%
2010	8	27	30%
2011	11	43	26%
2012	11	48	23%
Total	77	257	30%





## FINANCIAL STATEMENTS 2012

**CLARENCE CAMPEAU  
DEVELOPMENT FUND  
(OPERATING AS THE MÉTIS  
DEVELOPMENT FUND)**

***FINANCIAL STATEMENTS***

*December 31, 2012*



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## INDEPENDENT AUDITOR'S REPORT

### TO THE DIRECTORS OF CLARENCE CAMPEAU DEVELOPMENT FUND

We have audited the accompanying financial statements of Clarence Campeau Development Fund (Operating as the Métis Development Fund) (the "Fund"), which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, and the statements of revenue, expenses and net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at December 31, 2012, December 31, 2011 and January 1, 2011 and the results of its operations, net assets and cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations.

Chartered Accountants

March 19, 2013  
Saskatoon, Saskatchewan

**CLARENCE CAMPEAU DEVELOPMENT FUND**  
 (Operating as the Métis Development Fund)  
**STATEMENT OF REVENUE, EXPENSES AND NET ASSETS**  
 year ended December 31, 2012

	MERP Budget (in handled)	MERP General Fund Budget (in handled)	General Fund Fund	Total 2012	Total 2011
<b>REVENUES</b>					
Government funding (Note 1)	\$ -	\$ -	\$ 3,400,000	\$ 3,379,655	\$ 3,015,843
Economic Development Sector (Note 1)	-	150,000	140,533	140,533	183,708
New Program Launch (OFL)	-	33,615	27,706	27,706	-
Major Resources and Energy Fund (Note 1)	-	18,900	18,900	18,900	-
Reimbursements from National Aboriginal Capital Corporation/Association	679	7,000	18,929	19,608	4,346
Interest and investment income	82,921	269,775	347,965	435,519	378,949
Administration fees	1,500	20,000	20,965	22,465	21,271
Recovery of bad debt	-	2,400	3,768	3,768	7,552
Miscellaneous income	-	1,000	1,999	1,999	28,951
	<b>82,921</b>	<b>89,733</b>	<b>3,902,690</b>	<b>3,900,420</b>	<b>4,050,153</b>
<b>OPERATING EXPENSES</b>					
Advertising and promotion	17,500	10,270	36,500	30,197	40,467
Amortization of capital assets	-	1,111	-	57,188	58,299
Bank charges	500	956	2,700	2,492	3,448
Building expenses	7,000	7,000	40,200	36,168	43,168
Consulting fees	-	-	15,000	19,649	19,649
Directors expenses	6,000	6,000	44,601	22,163	28,163
Donations	-	-	30,000	28,251	28,251
Economic Development Sector (Schedule 2)	-	-	212,318	177,326	177,326
Employee travel	30,300	11,195	44,000	30,774	41,969
Professional fees	60,000	96,024	55,000	92,369	188,393
Regina office expenses (Schedule 1)	-	-	217,568	185,392	185,392
Salaries and benefits	206,500	206,736	644,873	596,699	803,435
Saskatoon office expenses	2,700	31,303	41,720	27,285	68,588
Training	5,000	4,456	18,000	13,830	18,286
	<b>335,500</b>	<b>375,730</b>	<b>1,410,880</b>	<b>9,395</b>	<b>10,074</b>
	<b>(232,579)</b>	<b>(285,997)</b>	<b>2,491,810</b>	<b>2,621,242</b>	<b>2,335,245</b>
<b>OTHER EXPENSES</b>					
Non-repayable grants to community projects	100,000	20,669	412,878	412,878	433,547
New program expenses (OFL)	-	-	37,350	27,706	27,706
Defaulted loans receivable (Note 5)	-	-	-	86,613	86,613
Additional provision for loans receivable losses (Note 5)	250,000	307,329	450,228	115,525	422,854
	<b>350,000</b>	<b>327,998</b>	<b>642,722</b>	<b>970,720</b>	<b>873,344</b>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>					
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>\$ (602,579)</b>	<b>(613,995)</b>	<b>\$ 2,041,582</b>	<b>1,978,520</b>	<b>1,364,525</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 5,597,059</b>	<b>\$ 20,778,685</b>	<b>\$ 18,800,165</b>	<b>\$ 24,397,224</b>	<b>\$ 23,232,239</b>
<i>See accompanying notes</i>	<b>\$ 4,983,064</b>		<b>\$ 25,761,749</b>	<b>\$ 24,397,224</b>	

**CLARENCE CAMPEAU DEVELOPMENT FUND**  
 (Operating as the Métis Development Fund)  
**STATEMENT OF FINANCIAL POSITION**  
 as at December 31, 2012

	MERP	General Fund	December 31, 2012	December 31, 2011	January 1, 2011
<b>CURRENT ASSETS</b>					
Cash	\$ 158,999	\$ 1,338,141	\$ 1,497,140	\$ 2,009,023	\$ 2,264,221
Short-term investments (Note 4)	\$ 3,111,000	\$ 6,093,953	\$ 9,204,953	\$ 8,407,231	\$ 10,074,144
Accounts receivable	\$ 5,248	\$ 107,857	\$ 113,105	\$ 245,214	\$ 436,160
Prepaid expenses	-	\$ 6,588	\$ 6,588	\$ 10,498	\$ 9,286
Interest receivable	\$ 18,844	\$ 34,163	\$ 53,007	\$ 31,366	\$ 25,836
Current portion of loans receivable (Note 5)	\$ 762,309	\$ 1,905,451	\$ 2,667,760	\$ 1,930,953	\$ 1,887,402
<b>LONG-TERM INVESTMENTS</b> (Note 4)	<b>\$ 4,056,400</b>	<b>\$ 9,486,153</b>	<b>\$ 13,542,553</b>	<b>\$ 12,634,285</b>	<b>\$ 14,697,049</b>
LOANS RECEIVABLE (Note 5)	\$ 2,003,650	\$ 2,206,479	\$ 2,206,479	\$ 3,341,432	\$ 328,074
CAPITAL ASSETS (Note 6)	\$ 3,951	\$ 8,993,175	\$ 10,996,825	\$ 8,927,946	\$ 7,539,211
	<b>\$ 6,064,001</b>	<b>\$ 21,558,484</b>	<b>\$ 27,622,485</b>	<b>\$ 25,811,868</b>	<b>\$ 23,489,763</b>
<b>CURRENT LIABILITIES</b>					
Accounts payable	\$ 7,884	\$ 52,093	\$ 59,977	\$ 22,103	\$ 150,608
Loans payable	\$ 1,073,053	\$ 727,706	\$ 1,800,759	\$ 1,392,541	\$ 56,916
<b>NET ASSETS</b>	<b>\$ 1,080,937</b>	<b>\$ 779,799</b>	<b>\$ 1,860,736</b>	<b>\$ 1,414,644</b>	<b>\$ 207,524</b>
	<b>\$ 4,983,064</b>	<b>\$ 20,778,685</b>	<b>\$ 25,761,749</b>	<b>\$ 24,397,224</b>	<b>\$ 23,282,239</b>
	<b>\$ 6,064,001</b>	<b>\$ 21,558,484</b>	<b>\$ 27,622,485</b>	<b>\$ 25,811,868</b>	<b>\$ 23,489,763</b>

*See accompanying notes*

**APPROVED BY THE BOARD:**

*[Handwritten signatures of three directors]*

**CLARENCE CAMPEAU DEVELOPMENT FUND**  
 (Operating as the Métis Development Fund)  
**STATEMENT OF CASH FLOWS**  
 year ended December 31, 2012

	MERP	General Fund	Total 2012	Total 2011
<b>CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES</b>				
Excess (deficiency) of revenue over expenses	\$ (613,995)	\$ 1,978,520	\$ 1,364,525	\$ 1,114,985
Items not affecting cash	1,111	57,188	58,299	57,262
Amortization of capital assets	-	86,613	86,613	481,161
Defaulted loans receivable	307,329	115,525	422,854	48,039
Additional provision for loans receivable losses	-	-	-	4,151
Loss on disposal of capital assets	-	-	-	-
Net change in non-cash working capital items relating to operations (Note 10)	(5,335)	157,587	152,252	55,699
	<u>(310,890)</u>	<u>2,395,433</u>	<u>2,084,543</u>	<u>1,761,297</u>
<b>CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES</b>				
Loan receipts	450,524	3,528,002	3,978,526	1,805,651
Loan payments advanced	(2,523,812)	(4,769,863)	(7,293,675)	(3,767,137)
Loans payable	70,589	337,629	408,218	1,335,625
Purchase of capital assets	(2,936)	(24,921)	(27,857)	(45,438)
Proceeds on disposal of capital assets	1,131	-	1,131	1,249
Net change in short-term investments	1,965,352	(2,836,641)	(871,289)	1,680,077
Net change in long-term investments	-	1,208,520	1,208,520	(3,026,522)
	<u>(39,152)</u>	<u>(2,557,274)</u>	<u>(2,596,426)</u>	<u>(2,016,495)</u>
<b>DECREASE IN CASH DURING THE YEAR</b>				
<b>CASH POSITION, BEGINNING OF YEAR</b>				
<b>CASH POSITION, END OF YEAR</b>				
	<u>\$ 158,999</u>	<u>\$ 1,338,141</u>	<u>\$ 1,497,140</u>	<u>\$ 2,009,023</u>

See accompanying notes

**CLARENCE CAMPEAU DEVELOPMENT FUND  
(OPERATING AS THE MÉTIS DEVELOPMENT FUND)  
NOTES TO THE FINANCIAL STATEMENTS**  
year ended December 31, 2012

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**1. NATURE OF THE FUND**

The Clarence Campeau Development Fund (Operating as the Métis Development Fund) (the “Fund”) was established by The Métis Society of Saskatchewan Inc. (“Métis Nation”) pursuant to an agreement with the Government of Saskatchewan (Economic & Co-operative Development) dated June 11, 1997. Effective November 9, 2001, the Minister of Aboriginal Affairs designated the Fund as the Métis Development Fund pursuant to the *Saskatchewan Gaming Corporation Act*. A new agreement between the province and the Métis Nation-Saskatchewan Secretariat Inc. was executed in December 2002 and the Fund is governed in accordance with that agreement.

The objective of the Fund is to stimulate economic development activities of Métis people and communities by providing equity for Métis businesses, supporting community economic development initiatives and developing management skills of new and existing Métis business owners and entrepreneurs. To achieve this, the Fund makes repayable loans to qualifying projects and both repayable loans and non-repayable grants to community projects.

The term of the repayable loans by the Fund is up to seven years. Equity instruments and convertible debentures can be held by the Fund for a maximum period of ten years. Loans are targeted to commercially viable, market-based projects, primarily in value-added sectors of the economy such as forestry, mining, tourism and information technology with specific loan criteria approved by the Board of Directors (the “Board”). The Board may enter into agreements with other contributing entities and appropriate business support agencies. Each single project is subject to a maximum of the lesser of 35% of the value of the capital assets identified in the project costs or \$200,000. Funding is available for large scale or joint venture projects for up to the lesser of \$1,000,000 or 50% of the value of the total project costs.

Under the Community Development Business Program, the Fund can provide a one-time non-repayable grant up to the lesser of \$100,000 or 35% of the value of the capital assets identified in the project costs. Should the business be sold or disposed of within three years of receiving a non-repayable grant, it will become repayable immediately. Under the Development of Management and Marketing Skills Program, the Fund can provide grants up to 75% of approved training costs to a maximum of \$10,000 over the life of the grant. Under the Business Plan Assistance Program, the Fund can consider funding up to 75% of the cost, to a maximum of \$10,000. Under the Support for Aftercare Program, the Fund can provide grants up to 100% of the costs, to a maximum of \$10,000 over the life of the loan.

**CLARENCE CAMPEAU DEVELOPMENT FUND  
(OPERATING AS THE MÉTIS DEVELOPMENT FUND)  
NOTES TO THE FINANCIAL STATEMENTS**  
year ended December 31, 2012

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**1. NATURE OF THE FUND (continued)**

The Fund derives its revenue pursuant to the *Saskatchewan Gaming Corporation Act*. In 2012, the Fund received \$3,379,655 from the Ministry of Government Relations (2011 - \$3,014,210).

In 2010, Aboriginal Affairs and Northern Development Canada contributed \$5,000,000 to the Fund. The Fund also added \$1,000,000 from their own capital, to establish the new Métis Energy and Resource Program (“MERP”). MERP is intended to be a self-sustaining program managed by the Fund. The program has two components: an Equity Contribution Program, providing support to independent Métis entrepreneurs, and a Community Infrastructure Program to create and build Métis-owned businesses. Both programs are restricted to providing re-payable loans and non-repayable grants to businesses or community projects in the Energy and Resource Sector.

The Equity Contribution Program is a repayable loan targeting for-profit, commercially viable businesses that generate a minimum of 60% of its revenue from the Energy and Resource sector. The Fund can provide a repayable loan of up to the lesser of \$500,000 or 50% of the value of fixed assets plus 35% of working capital and inventory costs identified in the program. Minimum funding under this program is \$250,000 and maximum funding is \$1,000,000. Financial assistance will be in the form of common shares, preferred shares, mortgages or other forms of debt.

Under the Community Infrastructure Development Program, the Fund can provide a non-repayable grant of up to \$200,000 and a repayable loan of up to \$800,000 (minimum of \$201,000) or 50% of the project costs including inventory and working capital. Financial assistance under the repayable loan will be in the form of common shares, preferred shares, or units in a Limited Partnership or Joint Venture. The Fund will identify two communities, regions and/or locals to participate as a partner community in the business. Businesses funded under the program must be involved in servicing the Energy and Resource sectors and must generate a minimum of 60% of its revenue from the Energy and Resource sector. For projects funded under this program, the Fund can be the majority owner in the start up and initial years with the community purchasing shares over the life of the agreement until it owns 100% of the business.

**CLARENCE CAMPEAU DEVELOPMENT FUND  
(OPERATING AS THE MÉTIS DEVELOPMENT FUND)  
NOTES TO THE FINANCIAL STATEMENTS  
year ended December 31, 2012**

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**1. NATURE OF THE FUND (continued)**

In addition to the above, \$150,000 of funding was provided by Aboriginal Affairs and Northern Development Canada (“AANDC”) to support the ongoing operations of the Métis Economic Development Sector for the period April 1, 2012 to March 31, 2013. At December 31, 2012, \$42,158 is included in accounts receivable. Expenses incurred relating to the sector are recorded in expenses on the Statement of Revenue, Expenses and Net Assets. Eligible expenses funded by the AANDC agreement include wages and benefits, rent and travel. The Métis Economic Development Sector is the lead service provider in assisting Saskatchewan’s Métis community members to achieve financial self-sufficiency. It is the primary contact point for industry, government and Métis individuals seeking assistance in the development of economic opportunities. Other funding received from AANDC included \$27,706 relating to the Métis Youth Equity and Métis Women’s Equity Programs.

**2. CHANGE IN THE BASIS OF ACCOUNTING**

The Fund has elected to apply Canadian accounting standards for not-for-profit organizations (the “new standards” or “ASNPO”).

These financial statements are the first financial statements for which the Fund has applied ASNPO.

The financial statements for the year ended December 31, 2012 were prepared in accordance with the accounting principles and provisions set out in Section 1501, *First-time Adoption by Not-for-Profit Organizations*, for first-time adopters of this basis of accounting.

***Exemptions Relating to First-time Adoption***

The Fund has elected to adopt the exemptions available under Section 1501 relating to recording any eligible financial asset or financial liability outstanding on the opening balance sheet date at fair value.

***Impact of the Change in the Basis of Accounting***

As a result of the Fund’s adoption of the new standards, there is no net effect on the Fund’s excess of revenue over expenses for the year ended December 31, 2011 or on net assets as at January 1, 2011, the date of transition.

**CLARENCE CAMPEAU DEVELOPMENT FUND  
(OPERATING AS THE MÉTIS DEVELOPMENT FUND)  
NOTES TO THE FINANCIAL STATEMENTS  
year ended December 31, 2012**

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**3. SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with ASNPO and include the following significant accounting policies:

***Use of Estimates***

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses at year end. The most significant estimate is the provision for defaulted loans receivable. Actual results could differ from those estimates.

***Cash and Investments***

Cash and investments consist of cash on hand, balances with banks, and short-term investments in money market instruments, Guaranteed Investment Certificate's ("GIC's") and bonds. Long-term investments consist of mortgages against land and buildings and bonds.

***Financial Instruments***

The Fund initially measures its financial assets and financial liabilities at fair value. The Fund subsequently measures all of its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Revenue, Expenses and Net Assets.

Financial assets measured at amortized cost include cash, short-term and long-term investments, accounts receivable, interest receivable and loans receivable. Financial liabilities measured at amortized cost include accounts payable and loans payable.

***Capital Assets and Amortization***

Capital assets are recorded at cost. Normal repair and maintenance costs are expensed as incurred. Leasehold improvements are amortized over the term of the lease (three years) on a straight line basis. Amortization on all other capital assets is recorded on a diminishing balance basis as follows:

Building	4%
Office furniture	20%
Computer equipment	30%
Computer software	100%

**CLARENCE CAMPEAU DEVELOPMENT FUND  
(OPERATING AS THE MÉTIS DEVELOPMENT FUND)  
NOTES TO THE FINANCIAL STATEMENTS**  
year ended December 31, 2012

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Impairment of Long-Lived Assets***

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate their carrying amount may not be recoverable. An impairment loss is recognized when their carrying amount exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of impairment loss is determined as the excess of the carrying value of the assets over their fair market value. No events have occurred nor have any circumstances changed which would indicate impairment in the value of long-lived assets.

***Fund Accounting***

The MERP fund accounts for the Fund's activities relating to business or community projects in the Energy and Resource Sector. Externally restricted contributions to be used for programs and operations for the Energy and Resource Sector are reported in this fund.

The general fund accounts for programs outside of the Energy and Resource sector as well as general operations. Externally restricted contributions to be used for programs and operations are reported in this fund.

***Revenue Recognition***

The Fund follows the restricted fund method whereby externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. All externally restricted contributions are recorded when received as contributions in the MERP fund. All contributions in the general fund are recorded using the deferral method whereby revenues are recognized in the year for which the funds are used for the purposes intended. Contributions revenue in the general fund includes revenue pursuant to the agreement with the Government of Saskatchewan and funding related to the Economic Development Sector

Other revenue is recognized as revenue if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment and interest income is recognized as revenue when earned.

***Income Taxes***

As a non-profit organization the Fund is exempt from paying federal and provincial income and capital tax.

**CLARENCE CAMPEAU DEVELOPMENT FUND  
(OPERATING AS THE MÉTIS DEVELOPMENT FUND)  
NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2012**

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**3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

***Loans***

Loans under \$200,000 are recorded when the Chief Executive Officer has approved the payment and all conditions are met by the applicant. Loans over \$200,000 and less than \$500,000 are recorded when the Investment and Audit Committee of the Board has approved the payment and all conditions are met by the applicant. Loans over \$500,000 are recorded when the Board has approved the payment and all conditions are met by the applicant.

**4. INVESTMENTS**

Short-term investments consist of the following:

	<u>December 31, 2012</u>	<u>December 31, 2011</u>	<u>January 1, 2011</u>
GIC's	\$ 9,102,616	\$ 8,243,552	\$ 10,013,741
Saskatchewan Savings Bond	-	90,112	-
Current portion of mortgages	102,337	73,567	60,403
	<hr/> <u>\$ 9,204,953</u>	<hr/> <u>\$ 8,407,231</u>	<hr/> <u>\$ 10,074,144</u>

Short-term investments includes one Bank of Nova Scotia 1.15% GIC that matures on July 31, 2013, one Bank of Nova Scotia 1.20% GIC that matures on April 4, 2013, one Bank of Nova Scotia 1.20% GIC that matures on October 11, 2013, one Bank of Nova Scotia 1.25% GIC that matures on December 20, 2013, one Bank of Nova Scotia 1.20% GIC that matures on October 18, 2013, one TD 1.87% GIC that matures on October 4, 2013, and one RBC 1.20% GIC that matures on July 3, 2013.

***Long-term Investments***

Long-term investments consist of a \$363,000 ten-year first mortgage against land and building owned by 625865 Saskatchewan Ltd, due November 1, 2016; the balance at December 31, 2012 is \$225,014 (December 31, 2011 - \$277,220; January 1, 2011 - \$298,357). For the first five years of the loan the interest rate will be 6.15% per annum, calculated monthly, and for the last five years of the loan at the rate of 2% over the Province of Saskatchewan five-year bond rate at November 1, 2011.

**CLARENCE CAMPEAU DEVELOPMENT FUND  
(OPERATING AS THE MÉTIS DEVELOPMENT FUND)  
NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2012**

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**4. INVESTMENTS (continued)**

***Long-term Investments (continued)***

Management has indicated that the fair market value of the land and building held as security are in excess of the amount owing on the mortgage.

On May 6, 2011, a \$500,000 Mortgage Investment for Dumont Technical Institute Inc. was issued. Dumont Technical Institute Inc. previously held a mortgage with Clarence Campeau Development Fund in 2003 that was paid out in December 2010. This is a ten-year mortgage against land and a building due May 1, 2021; the balance at December 31, 2012 is \$435,843 (December 31, 2011 - \$476,498; January 1, 2011 - nil). The interest rate is 4.50% per annum, renewed annually on May 1 at an interest rate of 2% over Scotia McLeod 5 year banker acceptance rate at that date. Management has indicated that the fair market value of the land and building held as security are in excess of the amount owing on the mortgage.

The balance of long-term investments consists of a \$200,000 mortgage against land and building owned by Vermette Trucking Ltd., due June 1, 2019; the balance at December 31, 2012 is \$143,959 (December 31, 2011 - \$161,281; January 1, 2011 - \$177,515). The interest rate is 6.50% per annum, calculated monthly. Management has indicated that the fair market value of the land and building held as security are in excess of the amount owing on the mortgage.

Also included in long-term investments is a 2.05% Bank of Nova Scotia Annual Interest GIC with a par value of \$1,504,000 (December 31, 2011 - \$nil; January 1, 2011 - \$nil) maturing on November 27, 2014.

The total current portion of the above mortgage included in short-term investments is \$102,337 (December 31, 2011 - \$73,567; January 1, 2011 - \$60,403).

**5. LOANS RECEIVABLE**

Loans receivable are amounts distributed to qualified projects to provide funding. Loans take the form of either interest free loans or equity investments. Interest-free loans are repayable to the Fund over a maximum term of seven years. The maximum term for equity instruments is ten years and usually involves the payment of regular dividends which are included in interest and investment income in the Statement of Revenue, Expenses and Net Assets. The dividend rate is determined based on the current bankers' acceptance rate plus 2%. These equity instruments are convertible to debt at the option of the Fund after a period equal to half the term of the instrument.

**CLARENCE CAMPEAU DEVELOPMENT FUND  
(OPERATING AS THE MÉTIS DEVELOPMENT FUND)  
NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2012**

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**5. LOANS RECEIVABLE (continued)**

All loans in arrears are handled on a case-by-case basis and are written-off after all reasonable restructuring/collection activities have taken place and the possibility of further recovery is considered to be remote.

A loan is classified as non-performing when management has determined that there is a reasonable doubt as to the ultimate collectability of principal. The provision for defaulted loans receivable consists of specific items established on a case-by-case basis and a general provision of 10% of the outstanding loans receivable.

The Fund evaluates each client's creditworthiness on a case-by-case basis. The Fund contracts project assessment and project follow up and evaluation services from other qualified institutions or businesses, where necessary. All applicants are required to enter into a contractual agreement with the Fund. Further, the Fund is required to ensure Métis ancestry when granting an equity contribution.

Loans receivable are principally the financial instruments which potentially subject the Fund to concentrations of credit risk. Management is not aware of any concentrations of loans to classes of borrowers or industries that would be similarly affected by economic conditions. Although the Fund's loan portfolio is diversified, a substantial portion of its borrowers' ability to honour the terms of their loans is dependent on business and economic conditions in Saskatchewan.

Loans receivable consist of the following:

	<u>December 31, 2012</u>	<u>December 31, 2011</u>	<u>January 1, 2011</u>
Loans receivable	\$ 15,182,871	\$ 11,954,332	\$ 10,474,007
Less provision for loans receivable			
Specific items	(86,613)	(481,161)	(159,425)
General provision	(1,431,673)	(614,272)	(887,969)
	<u>13,664,585</u>	<u>10,858,899</u>	<u>9,426,613</u>
Less current portion	(2,667,760)	(1,930,953)	(1,887,402)
Long-term loans receivable	<u>\$ 10,996,825</u>	<u>\$ 8,927,946</u>	<u>\$ 7,539,211</u>

The loans receivable consists of \$12,568,571 of interest free loans receivable and \$2,614,300 of equity investments at December 31, 2012 (December 31, 2011 - \$9,691,427 of interest free loans receivable and \$2,262,905 of equity investments; January 31, 2011 - \$7,180,437 of interest free loans receivable and \$3,293,570 of equity investments).

**CLARENCE CAMPEAU DEVELOPMENT FUND  
(OPERATING AS THE MÉTIS DEVELOPMENT FUND)  
NOTES TO THE FINANCIAL STATEMENTS**  
year ended December 31, 2012

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**6. CAPITAL ASSETS**

	December 31,			December 31,	January 1,
	2012		Net Book	2011	2011
	Cost	Accumulated Amortization	Value	Net Book Value	Net Book Value
Land	\$ 94,600	\$ -	\$ 94,600	\$ 94,600	\$ 94,600
Building	850,723	138,988	711,735	739,546	745,250
Office furniture	175,612	119,913	55,700	56,478	65,286
Computer equipment	73,637	60,060	13,576	16,063	18,016
Leasehold Improvements	5,122	4,105	1,017	1,518	2,277
	<u>\$ 1,199,694</u>	<u>\$ 323,066</u>	<u>\$ 876,628</u>	<u>\$ 908,205</u>	<u>\$ 925,429</u>

**7. COMMITMENT**

The Fund has entered into a lease for its Regina office space. The lease expires on October 31, 2015. Future lease payments of \$1,467 are due monthly, for a total of \$49,878 over the next 34 months. In addition, the Fund must pay its proportionate share of occupancy costs relating to the building and land.

**8. RELATED PARTY TRANSACTIONS**

Transactions with related parties are measured at the exchange amount which is the consideration established and agreed to by the related parties. These transactions occurred in the normal course of operations.

During the year, the Fund paid \$25,000 (2011 - \$25,000) to Back to Batoche Métis Festival. Back to Batoche Métis Festival is the celebration of Métis culture and history hosted annually by the Métis Nation of Saskatchewan. In addition, a \$100,000 (2011 - \$100,000) grant was provided for infrastructure development in accordance with the Batoche and Area Tourism Master Plan. These payments are included in non-repayable grants to community projects on the Statement of Revenue, Expenses and Net Assets.

Also during the year, \$7,785 (2011 - \$4,219) was paid to the Saskatchewan Métis Economic Development Company for the development of business plans for Fund clients. These payments are included in non-repayable grants to community projects on the Statement of Revenue, Expenses and Net Assets.

**CLARENCE CAMPEAU DEVELOPMENT FUND  
(OPERATING AS THE MÉTIS DEVELOPMENT FUND)  
NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2012**

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**8. RELATED PARTY TRANSACTIONS (continued)**

The Board allows its members to apply for loans for qualifying projects. At year end, companies controlled by board members had \$393,692 (December 31, 2011 - \$408,714; January 1, 2011 - \$430,991) in repayable loans, payable to the Fund. The funding was received prior to the board members becoming elected to the Board on terms similar to those granted to arm's length borrowers. These repayable loans are included in loans receivable on the Statement of Financial Position.

**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

The Fund, through its financial assets and liabilities, has exposure to the following risks from its use of financial instruments: credit risk and interest rate risk.

***Credit Risk***

The Fund's principal financial assets are cash, short-term and long-term investments, accounts receivable and loans receivable which are subject to credit risk. The carrying amounts of financial assets on the Statement of Financial Position represent the Fund's maximum credit exposure at the Statement of Financial Position date.

The Fund's credit risk is primarily attributable to its loans receivable. The Fund reviews the provision for loans receivable on an annual basis. Processes and procedures are in place to ensure the credit worthiness of the customers to whom loans are advanced, which helps to mitigate overall credit risk.

The credit risk on cash and short-term investments is limited because the counterparties are chartered banks with high credit-ratings assigned by national credit-rating agencies and other institutions with low risk of default.

In addition, in the normal course of business the Fund has entered into a guarantee that is not reported on the Statement of Financial Position. The primary purpose of this guarantee is to make funds available for the financing needs of customers. These are subject to normal credit standards, financial controls, risk management and monitoring procedures.

The guarantee represents an irrevocable commitment that the Fund will make payments in the event that a customer cannot meet its obligations to third parties, and they carry the same risk, recourse and collateral security requirements as loans extended to customers.

**CLARENCE CAMPEAU DEVELOPMENT FUND  
(OPERATING AS THE MÉTIS DEVELOPMENT FUND)  
NOTES TO THE FINANCIAL STATEMENTS**  
**year ended December 31, 2012**

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**9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (continued)**

***Credit Risk*** (continued)

Credit risk arising from the guarantee totals \$200,000 (December 31, 2011 - \$nil; January 1, 2011 - \$nil). This amount does not necessarily represent future cash requirements since many commitments will expire or terminate without being funded.

***Interest Rate Risk***

The interest bearing short-term investments have a limited exposure to interest rate risk due to their short term maturity. The Fund is exposed to interest rate risk on its fixed interest rate long-term investments. Fixed-rate instruments subject the Fund to risk of changes in fair value. The loans receivable include interest free loans and therefore have limited exposure.

***Liquidity risk***

The Fund's objective is to have sufficient liquidity to meet its liabilities when due. The Fund monitors its cash balances and cash flows generated from operations to meet its requirements. As at December 31, 2012, December 31, 2011 and January 1, 2011, the Fund's most significant financial liabilities are accounts payable and loans payable.

***Fair Values***

The fair values of cash, accounts receivable, interest receivable and accounts payable approximate their carrying values due to their short-term maturity.

The fair value of loans receivable is not readily determinable as there is no market for the loans receivable and it is management's intention to hold these receivables to maturity.

The fair value of the short-term and long-term investments approximate their carrying values as disclosed in Note 3.

**CLARENCE CAMPEAU DEVELOPMENT FUND  
(OPERATING AS THE MÉTIS DEVELOPMENT FUND)  
NOTES TO THE FINANCIAL STATEMENTS**  
year ended December 31, 2012

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**10. NET CHANGE IN NON-CASH WORKING CAPITAL**

Details of net changes in each element of non-cash working capital relating to operations are as follows:

	<b>2012</b>	<b>2011</b>
<b>Decrease (increase) in current assets</b>		
Accounts receivable	\$ 132,109	\$ 190,946
Prepaid expenses	3,910	(1,212)
Interest receivable	(21,641)	(5,530)
	<b><u>114,378</u></b>	<b><u>184,204</u></b>
<b>Increase (decrease) in current liabilities</b>		
Accounts payable	37,874	(128,505)
	<b><u>37,874</u></b>	<b><u>(128,505)</u></b>
	<b><u>\$ 152,252</u></b>	<b><u>\$ 55,699</u></b>

**Schedule 1**

**CLARENCE CAMPEAU DEVELOPMENT FUND**  
**(Operating as the Métis Development Fund)**  
**SCHEDULE OF REGINA OFFICE EXPENSES**  
**year ended December 31, 2012**

	<b>2012</b>	<b>2011</b>
<b>REGINA OFFICE EXPENSES</b>		
Advertising and promotion	\$ 5,810	\$ 4,942
Bank charges	65	65
Building expenses	28,335	29,552
Employee travel	10,034	11,794
Office expenses	3,933	6,601
Professional fees	1,828	1,869
Salaries and benefits	126,308	143,348
Telephone	6,129	7,239
Training	2,950	2,990
	\$ 185,392	\$ 208,400

**Schedule 2**

**CLARENCE CAMPEAU DEVELOPMENT FUND**  
**(Operating as the Métis Development Fund)**  
**SCHEDULE OF ECONOMIC DEVELOPMENT SECTOR EXPENSES**  
**year ended December 31, 2012**

	<b>2012</b>	<b>2011</b>
<b>ECONOMIC DEVELOPMENT SECTOR EXPENSES (RECOVERY)</b>		
Advertising and promotion	\$ 9,153	\$ 7,891
Bank charges	65	65
Building expenses	12,600	12,600
Employee travel	8,869	15,763
Office expenses	1,309	2,584
Procurement expenses (recovery)	(5,343)	30,588
Professional fees	2,198	9,714
Salaries and benefits	144,954	143,621
Telephone	3,086	6,066
Training	435	422
	\$ 177,326	\$ 229,314

## 15th Anniversary



## National Aboriginal Capital Corporation Association Award

In 2012 the Clarence Campeau Development Fund received recognition from the National Aboriginal Capital Corporation Association for finishing 2nd amongst 54 Aboriginal Financial Institutions across Canada for "Highest Value of Loans Provided 2012".

Divisional Manager - South, Ryan Patterson, accepted the award at the General Manager's meetings in Ottawa, Ontario January 17th, 2013.

During 2012, CCDF approved 50 projects throughout the Province for \$ 5,782,269 under the Loan Equity Contribution, Community Business Development and Métis Energy and Resource Programs. As a result of CCDF Funding there were 160 direct jobs created & secured in Saskatchewan and \$ 8,517,758 in financing was leveraged through other financial institutions (SMEDCO, Banks, Credit Unions, Community Futures, etc.).



## Testimonials



### Vicon Ent. Oilfield Services Corp.

With the assistance of Clarence Campeau Development, Vicon was able to start an expansion plan. CCDF was able to assist in getting the process going. CCDF supported the purchase of commercial property and shops for Vicon, giving us a competitive advantage in the oil & gas industry.

I would like to thank CCDF/MERP, for their professional assistance. I found their staff very professional and committed to our project.

**Vicon Ent. Oilfield Services Corp.**  
Victor Guillet- owner/president  
Lloydminster, SK



### St. Louis Meats

I have worked seasonal in Alberta for the past 16 years. In the off season I would work for a family friend who owned St. Louis Meats in St. Louis Saskatchewan. Sadly he lost his battle with cancer in Aug 2012. It was then that I realized I needed to be home with my family and having knowledge of the business felt that this was the right thing to do. Without the guidance, support and encouragement that the staff at CCDF had given my wife Janice while I was away working, this opportunity could never have been a reality. They guided her through all the steps that needed to be taken in getting the financing in place to re-open the store. They were aware of the urgency in re-opening as it was the busiest time of the year. As of October 23rd we are now the new owners of St. Louis Meats Ltd. We greatly appreciate everything they have done and continue to do for us as we embark on our new business. We look forward to working with them in the future and would definitely use their programs again.

**St. Louis Meats**  
Bradley Nicolas  
St. Louis, SK

## Testimonials

### Paws, Claws N' Tails

As sole proprietor of Paws Claws N' Tails would like to acknowledge and express my gratitude to the CCDF personnel for all the support received before, during and after the opening of my new Kennel/ Daycare facility. The staff was exceptional with job knowledge, provided outstanding service and support throughout. My experience with CCDF was excellent and I would not hesitate to use their programs again. Not only did CCDF assist with the financial aspects of my business they also contributed towards the completion of my business plan. Without the support of CCDF my business, Paws Claws N' Tails would not be here today and my dream of becoming a successful entrepreneur would not be a reality.

Paw Claws N' Tails  
Cari Demeria  
Bushel, SK



### Monkey Bars Storage

I would like to thank the Clarence Campeau Development. My experience from start to finish with the courteous and helpful staff was excellent.

The Clarence Campeau Development Fund helped me with the purchase of a 16 foot enclosed trailer that we use as a mobile showroom. The loan disbursements were on time and as promised. I am very grateful to the fund and staff for this purchase.

Monkey Bars Storage Saskatchewan  
Mike Wyshynski - owner  
Saskatoon, SK



## Testimonials

### Dorintosh RV & Car Wash



Derek and Holly-Ann Osborne, owners and operators of Dorintosh RV & Car Wash located in Dorintosh, SK would sincerely like to thank CCDF for financial assistance in our venture. The staff at CCDF have been very helpful, progressive and motivated in the entire set up process; right from the initial business plan to after care. We highly recommend CCDF to Métis entrepreneurs. As young entrepreneurs we are thankful for the opportunity that the CCDF has given us and look forward to working with them in the future. Without the assistance, and support from CCDF we would not have been able to make our dream a reality.

**Dorintosh RV & Car Wash**  
**Derek and Holly-Ann Osborne**  
**Dorintosh, SK**

### Cozy Creek Campground



Starting a new business, even a small one is stressful and financially tough. When people and institutions like Clarence Campeau Development Fund are there it sure helps lessen the burden. The application process is simple and the CCDF Business Development Specialist was excellent. It's exciting when other people are excited for your business and the Clarence Campeau Development Fund was. The money provided by the Clarence Campeau allowed us to make our campground more inviting at the start with a beautiful kitchen and showers.  
Thank you CCDF

**Cozy Creek Campground**  
**Daune & Tyler Dewhurst**  
**Spiritwood, SK**

## Testimonials

### Burning Hills Cafe

My name is Jeanette Belbeck and I am the owner of Burning Hills Cafe in Rockglen, SK. In the year and a half that I have owned the cafe I have found the need to expand. With the help of CCDF and their amazing staff I now have an extra 23 seats and large wheel chair accessible wash rooms. CCDF has helped me realize my dream of being a Métis woman who owns her own cafe. I employ 8 local women and some of them are also Métis. The cafe was closed for a number of months before I bought it and now with the renovations it is a real asset to the town and surrounding community. CCDF has not only been a benefit to me but also to my staff and my town. With the great experience I have had with CCDF I would work with them anytime.

**Burning Hills Cafe**  
Jeanette Belbeck  
Rockglen, SK



### Astro Towing

As a small business owner, I was looking to upgrade and expand my towing business. I contacted Clarence Campeau Development Fund. The staff was very helpful, supportive and easy to work with. They were able to provide excellent advice and professional assistance with my business plan and provide a business loan for a new truck and equipment. The whole process was easy to understand and completed in a timely manner.

I would like to take this opportunity to thank everyone at CCDF for their advice and help in making my business plan a reality. My total experience with CCDF was excellent and I would highly recommend the Clarence Campeau Development Fund to other Métis people looking to start or expand their business.

**Astro Towing**  
Brant Como - Leased / Operator  
Saskatoon, SK



## Back to Batoche



## Board of Directors



Rick Watson  
*Vice Chair*  
*Southern Member*



Mark LaRocque  
*Ex-Officio*  
*Government of Saskatchewan*



Mike Woodward  
*Member at Large*



Walter Hood  
*Northern Member*



Barb Gustafson  
*Urban Member*



Kim Lonsdale  
*Ex-Officio*  
*Government of Saskatchewan*

# Staff

## Traditional Programming



**Roland Duplessis**  
Chief Executive Officer



**Georgette Nicolas**  
Director  
Business Development



**Pam Larson**  
Director  
Finance and Administration

## Métis Energy and Resource Program



**Steve Danners**  
Director  
Métis Energy and  
Resource Program



**Rebecca Krahm**  
Business  
Development Specialist



**Maxine Reddekopp**  
Business  
Development Specialist



**Christine McGowan**  
Administrative Assistant



**Wayne Gray**  
Business Development Specialist  
Métis Energy and  
Resource Program  
Regina Office

## Métis Economic Development Sector



**Monica Brunet**  
Director  
Métis Economic  
Development Sector

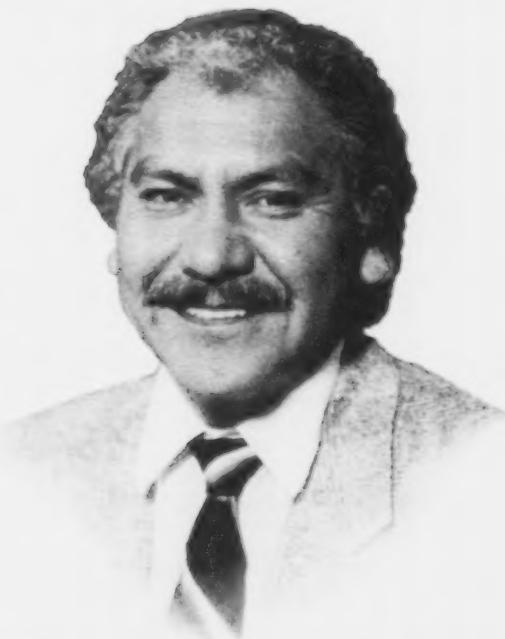


**Stephanie Favel**  
Administrative Assistant  
Métis Economic  
Development Sector

## Southern Regional Office - Regina



**Ryan Patterson**  
Divisional Manager - South  
Regina Office



## ***Clarence Campeau Development Fund***

### **Who is Clarence Campeau?**

Clarence Campeau was born in 1947 into a family of 11 and grew up living along a road allowance near Algrove, just north of the community of Archerwill in northeast Saskatchewan.

When the provincial government decided to break up road allowance communities, forcing them onto Métis farms in the early 1950s, the Campeau family promptly left and returned to Algrove. It's believed that Campeau's spirit of resistance and desire for social justice may have been sparked by this event.

At age 18, Campeau turned his life around for the better when alcohol was no longer part of it. He then met Napoleon LaFontaine, who was a great inspiration to him, encouraging Campeau to become involved with the Métis Society of Saskatchewan. Campeau started a career as an addictions worker and in just five years, Campeau became the youngest area director of Eastern Region II - a post he held for 24 years.

As an area director, Campeau had a vision not only for his region but also the Métis people as a whole. It is said he never judged people as he knew everyone faced challenges in their lives and he gave people a chance to live up to their potential.

Campeau was a strong leader who believed the Métis, from their very beginnings, were great business people. His vision was built upon what he believed were the inherent strengths of grassroots people. He always sought the opinions of people living in his region in order to better understand how they perceived the future. This dedication to his people, made him well-respected across the province.

Cited as a great negotiator, Campeau often dealt with many government officials. While working at the Gabriel Dumont Institute, Campeau became friends with his superior Donavon Young, the institute's director of research and policy. Young remembered Campeau as a true leader, always putting his community's interest before personal ones.

Shortly after Campeau's passing at age 49, Young, who was negotiating on behalf of the provincial government to create a Métis economic development foundation, suggested the name Clarence Campeau Development Fund as a means of honoring Campeau's hard work.



## Clarence Campeau Development Fund

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### Métis Energy and Resource Program (MERP)

Phone: 306-657-4880  
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### Métis Economic Development Sector

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